

# Collections – Hearings & Loan Services Findings

*October 11, 2001*



# Hearings/Loan Services Activities

## **Hearings:**

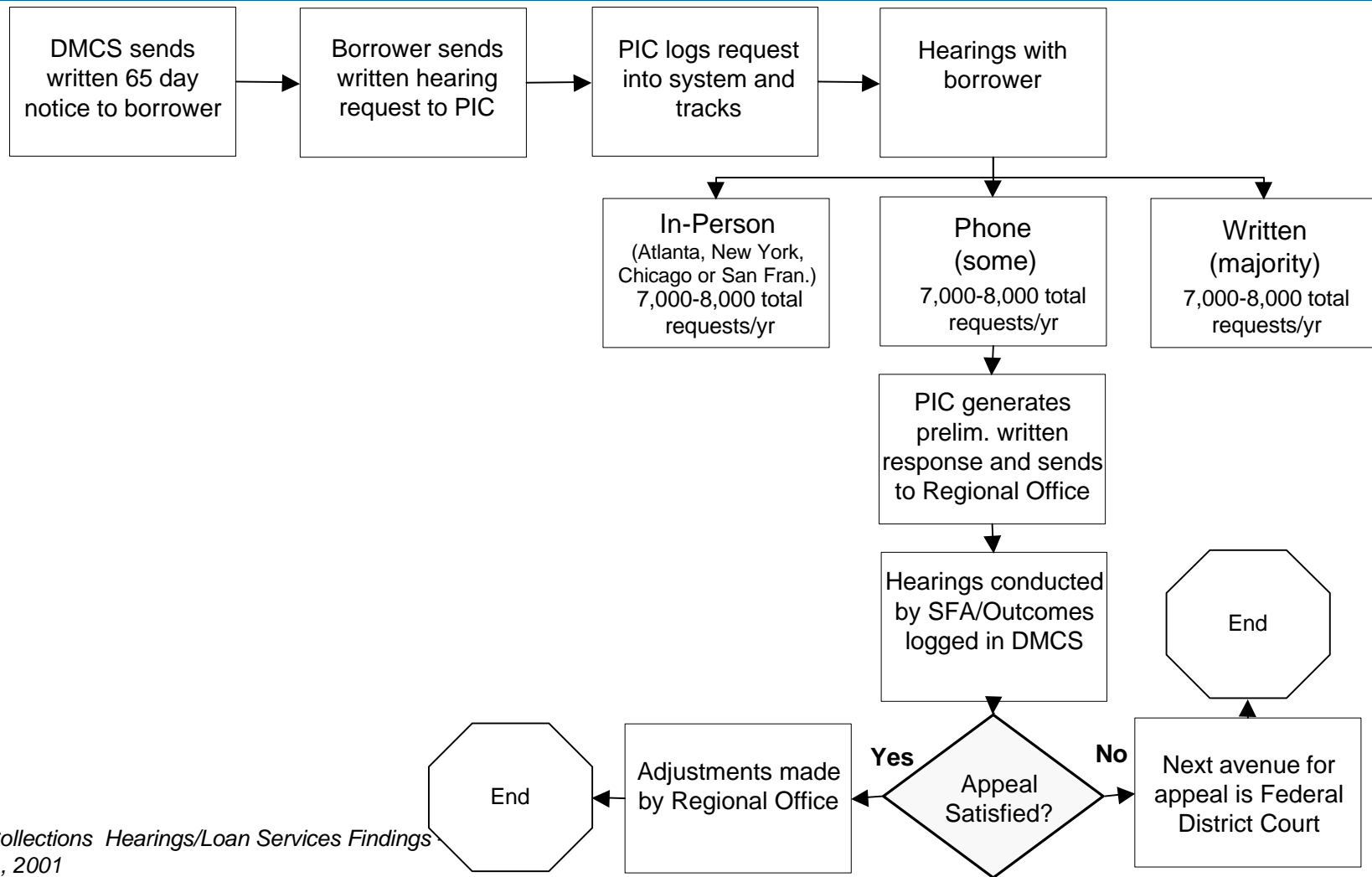
- Performs in-person, telephone and written hearings
- Ensures rights of due process are afforded to borrowers, especially before involuntary payment methods are employed
- Approximately 34% of Collections staff is working on Hearings

## **Loan Services:**

- Resolves disputes, adjusts loan balances, loan consolidation, loan rehabilitation service, credit reporting, and borrower credit counseling
- Functions as the primary customer service problem-solving branch for defaulted borrowers
- Approximately 25% of Collections staff performs

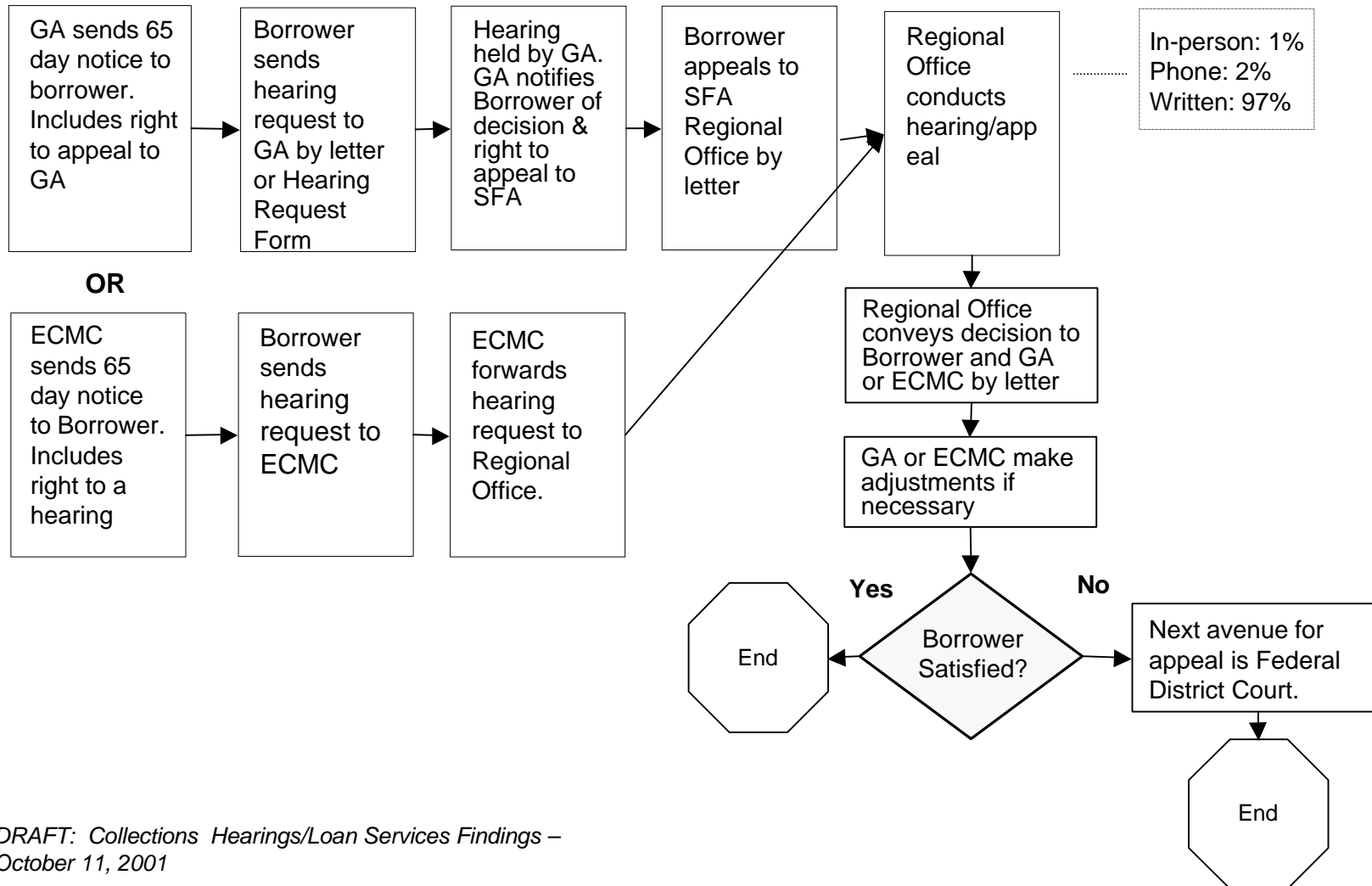


# Hearings: As-IS TOP Process Flow



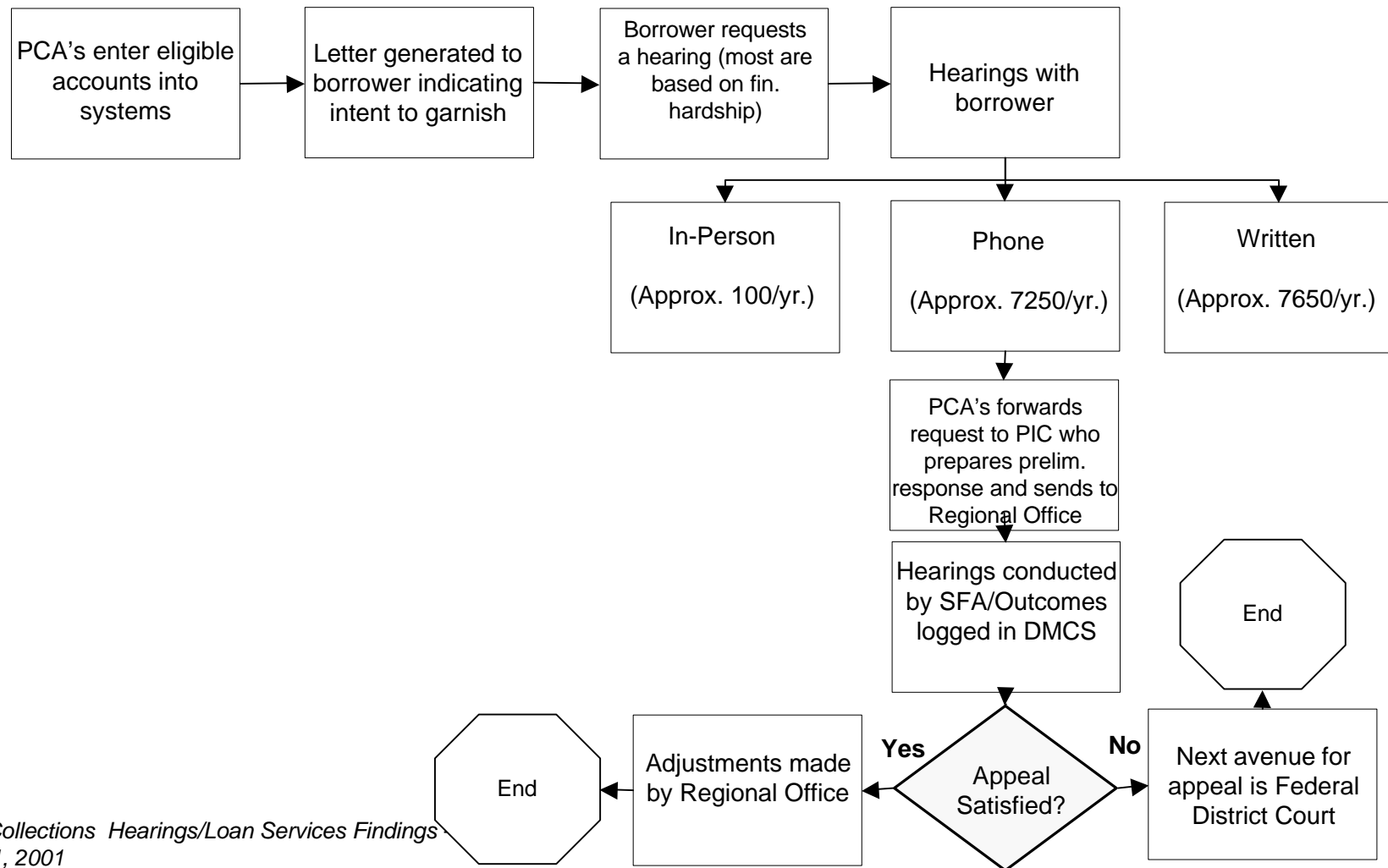


# Hearings: As-Is GA Process Flow





# Hearings: As-Is AWG Process Flow





# Annual Volume of Hearings

	Fiscal Year											
	1Q			2Q			3Q			4Q		
	J	F	M	A	M	J	J	A	S	O	N	D
<b>AWG Hearings</b>			High Volume					High Volume				
<b>TOP Hearings</b>								High Volume				
<b>GA Hearings*</b>												

\* No periods of high/low volume



# Loan Services Responsibilities

## **Loan Services Branch (LSB) Primary Responsibilities Include:**

- Responding to telephone inquiries from borrowers, schools, and Guaranty Agencies
- Answering written correspondence from customers
- Performing portfolio management by monitoring portfolios and determining if account needs further work or should be closed.
- Reviewing work completed by PIC
- Analyzing accounts from the National SSA Death Match reports and making determinations on accounts where there are not exact matches
- Conducting weekly conduct conference calls with counterparts in other 2 regions

## **Primary Inquiry Contractor (PIC) Primary Responsibilities Include:**

- Performing the loan services activities
- Maintaining a log of all functions
- Processing excess non-control mail that PIC is not able to handle



# Analysis of Hearings/Loan Services

## Hearings

### Similarities:

- Work assignments
- Required skills
- Manual/Automated processes
- Travel requirements

### Differences:

- Type of Hearings conducted
- Technology to track workload (Microsoft Excel vs. Microsoft Access)
- Hearings volume
- Cycle times
- Number of FTE's to process hearings

## Loan Services

### Similarities:

- Work assignments
- Required skills
- Manual/Automated processes
- Headquarters oversight
- Contracted/Internal Work
- Travel requirements

### Differences:

- Loan Services volume
- Number of FTE's to operate Loan Services
- Cycle times





# Potential Value Creating Opportunities

## Hearings

- Decrease the number of hand-offs between SFA, PIC and PCA's
- Create one process for all regions to use for Hearings function
- Use the same software program to track workload
- Route calls according to function (e.g. Hearings, etc.) within each region
- Designate "a" region responsible for Hearings
- Outsource Hearings function to a third party vendor
- Include Hearings function in a contact center

## Loan Services

- Route calls according to function (Hearings, litigation, etc.) within each region
- Designate "a" region responsible for Loan Services
- Outsource Loan Services function to a third party vendor
- Include Loan Services function in a contact center



# Additional Considerations for Value Creating Opportunities

## How does the budget impact the future state of Collections?

- Outsource Hearings/Loan Services functions?
- Reduce number of FTE's?

## What outsourcing opportunities would produce cost savings?

- Bundling functions?

## If the Hearings/Loan Services functions were included in a contact center:

- Could contact center address legal questions with the OGC?
- Could the contact center conduct oral and in-person hearings?
- Could contact center write up the ED Hearings official decisions?
- Could a contact center complete research for all hearing types?
  - Response: According to the OGC, all telephone and in-person hearings requires a Federal employee to conduct the hearing and sign off on all decisions. The borrower has a legal right to present oral testimony which can only be received by a Federal employee (the Hearing Official) who is authorized to render the decision.
- What functions could not be handled by a contact center?
  - Response: Taking of borrower, borrower representative and/or witness testimony and issuing final hearing decision. Also, some of the legal issues would be better researched by SFA staff working with OGC staff.